



Kooth Annual Results

Year ending 31 December 2020



Tim Barker
Chief Executive Officer



Sanjay Jawa
Chief Financial Officer

[koothplc.com](https://www.koothplc.com)



Our Purpose

We create a welcoming space for effective personalised digital mental health care, available to all.

Personalised, digital-first mental health care is the only way to tackle growing demand and cost.





UK's leading digital mental health platform

<p>Mental health is a defining global challenge of our time</p>	<p>Trusted market leader 15 years experience</p>	<p>Strong subscription revenue base with low churn</p>	<p>Clear growth potential in both public, private, and international</p>	<p>Highly differentiated</p>	<p>Long-term data advantage</p>
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1 in 4 people in
need every year

Commissioned by
85% NHS CCGs

£14.1m ARR
33% ARR growth

95% Customer
retention

£500m+ UK
£1bn+ International

Integrated
personalised
approach

Mental health
dataset



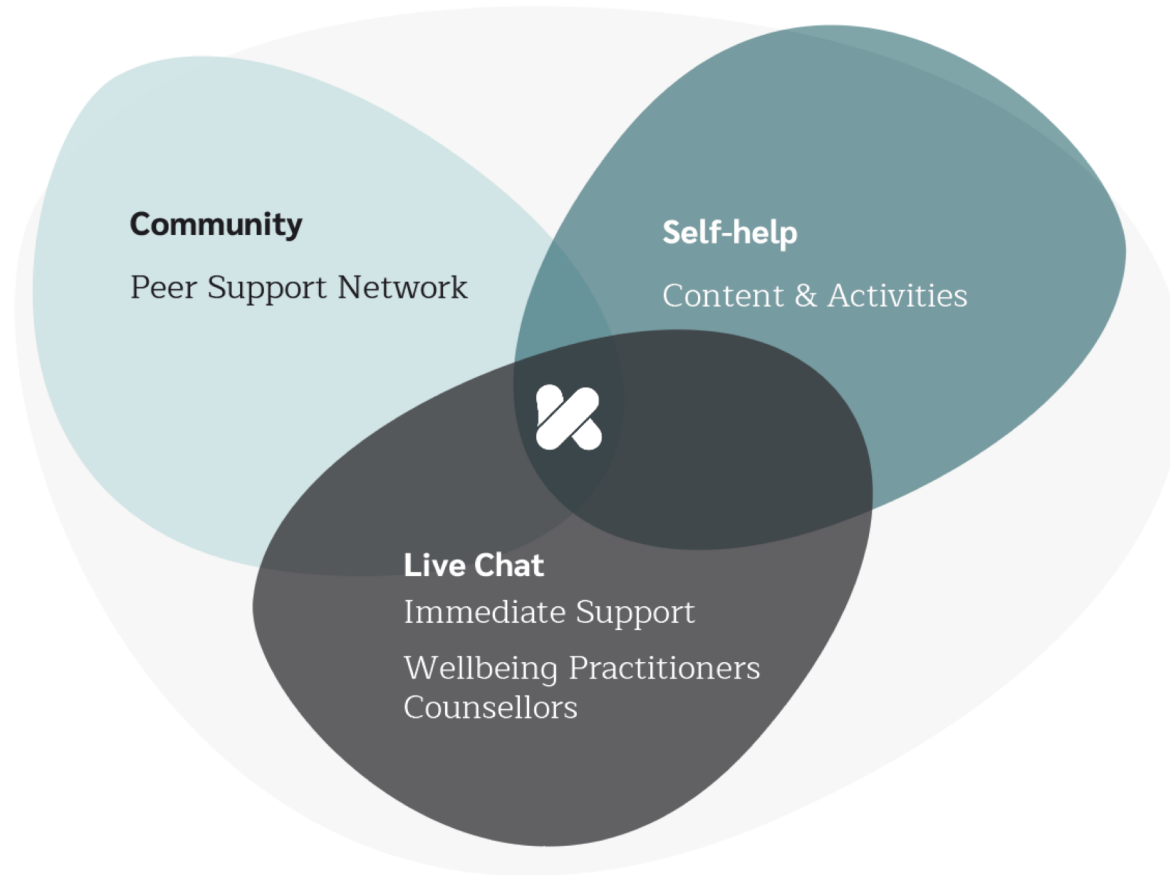
The Kooth model

Subscription Model

NHS
Commissioned locally.
Free at point of use.

Corporates
Support every employee to thrive.

International
Partnerships and direct.



Benefits

Democratise access to mental health care at scale.

Personalised approach with measurable outcomes.

Anonymous mental health trends and insights.



2020 Strategic progress

Children & Young People

Contracted by **85%** of NHS England Clinical Commissioning Groups.

Adult Public Sector

Added **18** new customers, **1.5m** adults can access Kooth.

Corporates

New contract wins supporting key workers.
30,000 employees covered by Kooth.

International

1st international pilot project secured for 2021 go-live.

Investment

IPO raised £16m with **£7.8m** net proceeds after debt repayment and expenses.
306 employees. **2x** engineering team, **£1.5m** invested in product/tech.

2020 Financial Highlights

50% revenue growth ahead of expectations, growing adoption of digital-first healthcare.

Over 90% of revenue from contracts of 12 months or longer, 95% customer retention.

Gross margin improvement from operational and platform efficiency plus (temporary, in response to COVID), accelerated go live on new contracts, and promotion shifted from in-person to Zoom.

£7.8m net cash, strong debt-free balance sheet following IPO in September 2020.

Revenue

£13.0m | £8.7m

2020

2019

Net Cash

£7.8m | £0.2m

2020

2019

Annual recurring revenue

£14.1m | £10.6m

2020

2019

Adjusted EBITDA

£0.9m | £0.1m

2020

2019

Gross margin

60.9% | 51.5%

2020

2019



Income Statement

Financial year to 31 December

£m	2019	2020	Variance
Revenue	8.7	13.0	4.3
<i>YoY growth</i>	<i>39.9%</i>	<i>50.3%</i>	
Direct Costs	-4.2	-5.1	-0.9
Gross Profit	4.5	7.9	3.4
<i>Gross Profit Margin</i>	<i>51.5%</i>	<i>60.9%</i>	<i>9.4ppt</i>
Other operating income	0.3	0.5	0.2
Administrative Expenses	-4.7	-7.5	-2.8
Adjusted EBITDA	0.1	0.9	0.8
<i>Adjusted EBITDA Margin</i>	<i>1.6%</i>	<i>7.0%</i>	<i>5.4ppt</i>
Amortisation and Depreciation	-1.0	-1.5	-0.5
Exceptional items	-	-1.0	-1.0
Operating Loss	-0.9	-1.6	-0.7
Capitalised R&D	-0.9	-1.5	-0.6
Adj. EBITDA less capitalised R&D	-0.8	-0.6	0.2

- Growth driven by increased annual subscriptions from new and existing CYP clients.
- Margin increase driven by operational efficiency and temporary increases from accelerated go-live periods on new contracts and virtual promotion during lockdown.
- £2.8m increase in overheads largely reflects strengthening of management, research, clinical and commercial teams.
- Exceptional items predominantly IPO related costs including the crystallisation of a non cash share based payment charge.



Balance Sheet

£m	31 Dec 2019	31 Dec 2020
Goodwill	0.5	0.5
Development costs	2.4	2.6
Other non-current assets	0.3	0.4
Total non-current assets	3.2	3.5
Trade and other receivables	2.2	2.2
Cash and cash equivalents	0.2	7.8
Total current assets	2.4	10.0
Total assets	5.6	13.5
Total non-current liabilities	0.0	0.0
Borrowings	5.4	-
Other current liabilities	3.1	2.6
Total current liabilities	8.5	2.6
Total liabilities	8.5	2.6
Net assets / liabilities	-2.9	10.9

- Strong debt-free balance sheet with £7.8m net cash
- Development costs of £1.5m in 2020. Amortised over three years.
- No government COVID aid



Cashflow

Financial year to 31 December

£m	2019	2020
Adjusted EBITDA	0.1	0.9
Movement in Net Working Capital	0.1	-0.3
Operating Cashflow	0.2	0.6
Capital Expenditure	-1.0	-1.6
Net Cashflow from Operations	-0.8	-1.0
Corporation Tax	0.3	0.3
Net Cashflow before Financing	-0.5	-0.7
Exceptional items	-	-0.2
Financing and Other	0.2	8.5
Net Cashflow	-0.3	7.6

- Cash position significantly strengthened by IPO. Gross proceeds of £16m used to pay down all debt leaving net cash proceeds of £7.8m after costs.
- Cash reserves expected to provide sufficient capital to fund current planned product and software development, international expansion and working capital as the business continues to grow.



Market outlook: Supporting the nation's recovery



COVID as catalyst for digital transformation to expand access to support.

10 million people in England alone will need new/additional mental health support as a direct result of the pandemic.

£500m additional NHS funding in 21/22.

£175m of which is applicable to Kooth's services.

Additional NHS funding growing to **£2.3bn** by 23/24

DEMAND

62%

INCREASE IN
DEMAND FOR
KOOOTH / LOGINS

SEVERITY

22%

INCREASE IN
SUICIDAL IDEATION &
SELF-HARM

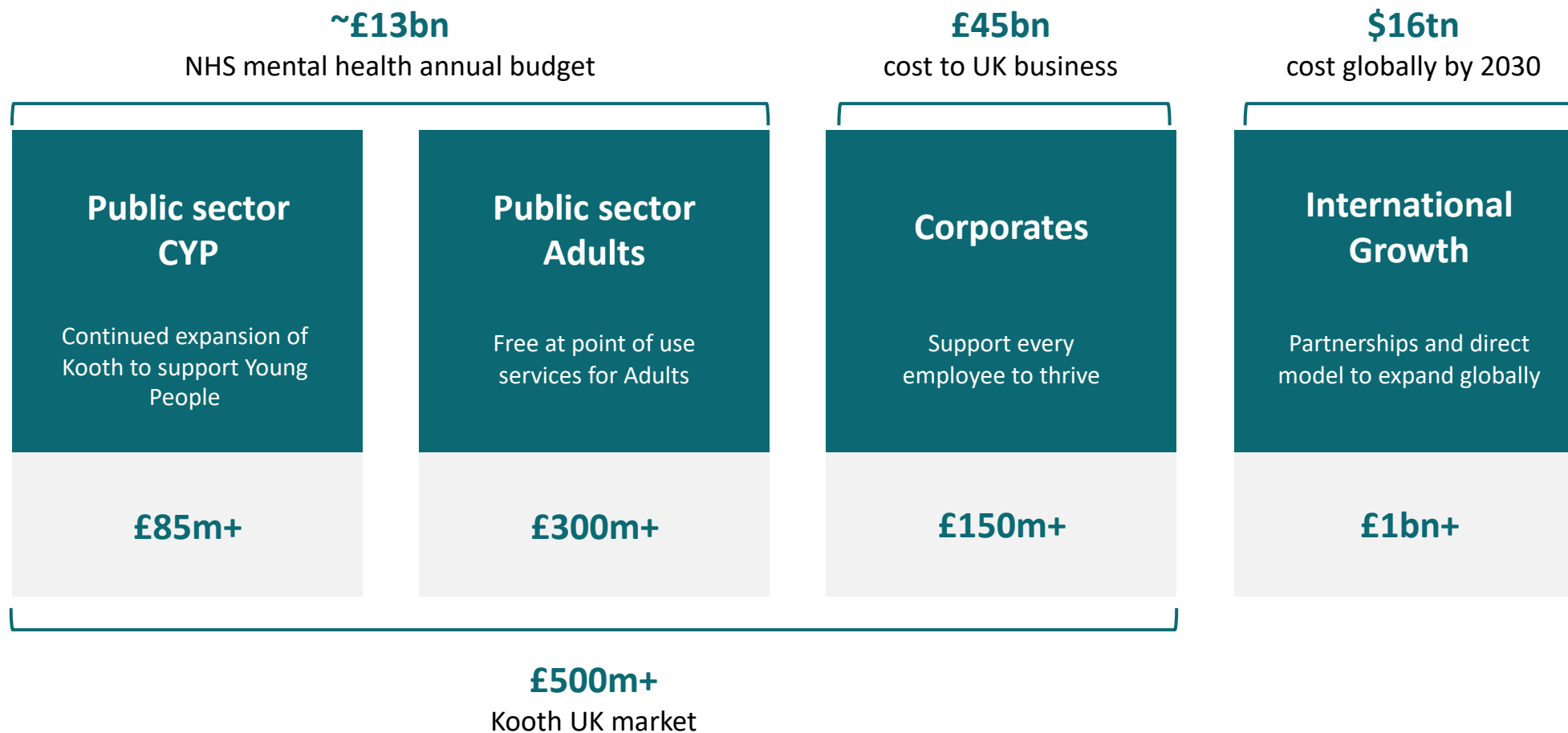
PRIORITY

72%

OF EMPLOYEES RANK
WELLBEING AS #1
PRIORITY FOR
MANAGERS IN 2021

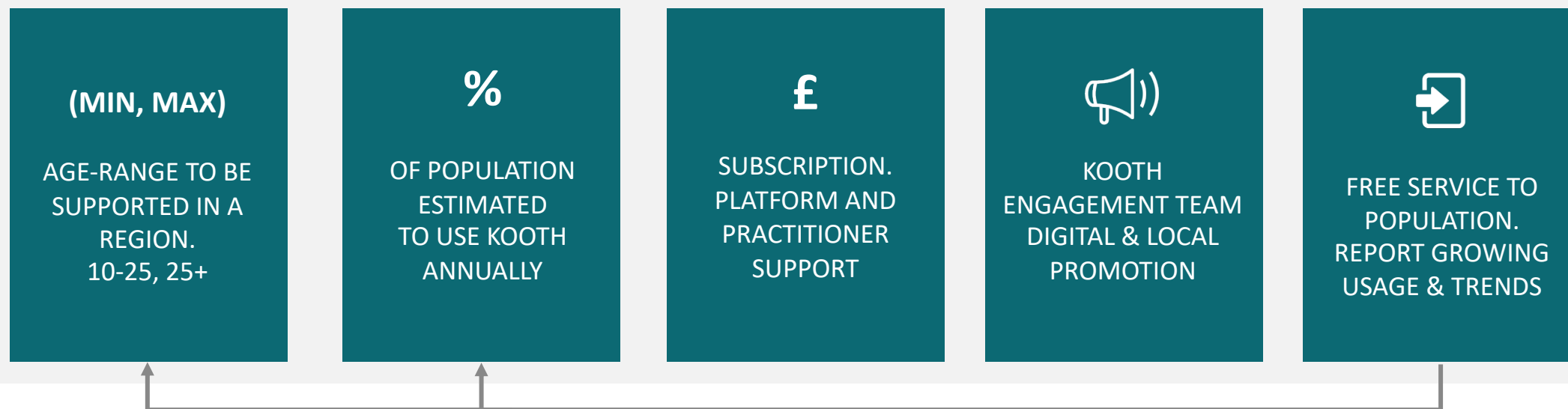


Scaling Kooth to provide digital mental health care for all





Democratising access: How our Subscription model works



EXPAND AS USAGE GROWS OR TO EXTEND TO ADDITIONAL AGE-RANGES



Strategic progress: Public sector / Children & Young People

85%

NHS ENGLAND
COMMISSIONERS

30/32

LONDON
BOROUGHES

6.2M

10-25 YEAR OLDS
HAVE FREE ACCESS

1.1M

LOGINS IN 2020

1 in 36

AVERAGE USAGE OF
KOOOTH ACROSS THE
POPULATION

94%

WOULD
RECOMMEND KOOOTH

18 new regions for Kooth in 2020

- Birmingham
- Bury
- Cheshire
- Gloucestershire
- Hull
- Jersey
- Norfolk
- Northumberland
- Portsmouth
- Salford
- Stockport
- Suffolk
- Tameside and Glossop
- West Berkshire
- **London**
 - Camden
 - City & Hackney
 - Enfield
 - Tower Hamlets



Continued growth to support Children & Young people





Strategic progress: Public sector / Adult

NHS spends £11bn annually on Adult Mental Health

Kooth removes barriers to getting support

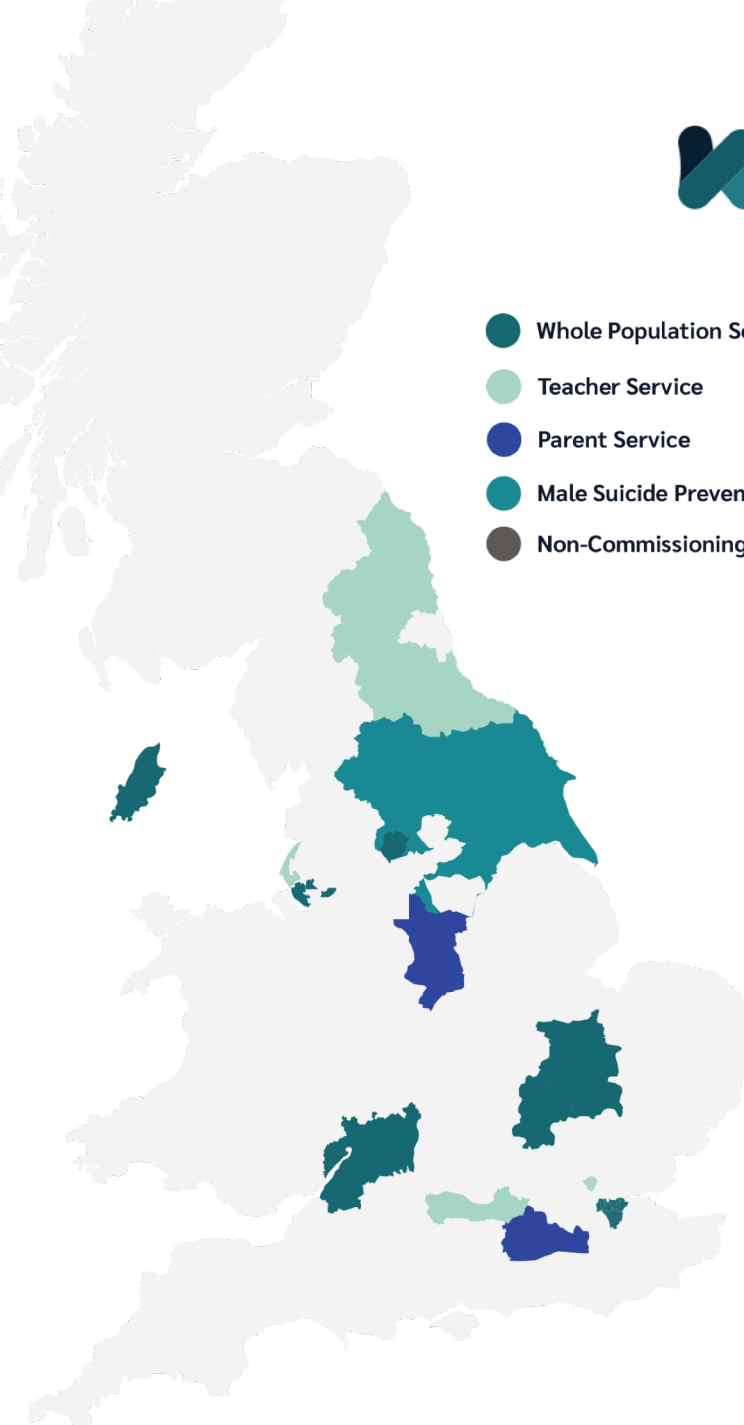
Early intervention and 'sub-threshold' support for individuals.
Reach those less likely to use existing services.

Kooth Adult is now freely available to 1.5m people

18 new customers in 2020. Whole population contracts in 8 regions.

Specialist contracts focused on suicide prevention, parents of SEND children, victims of crime.

- Whole Population Service
- Teacher Service
- Parent Service
- Male Suicide Prevention
- Non-Commissioning Area





Strategic progress: Corporate

Focus on supporting key workers

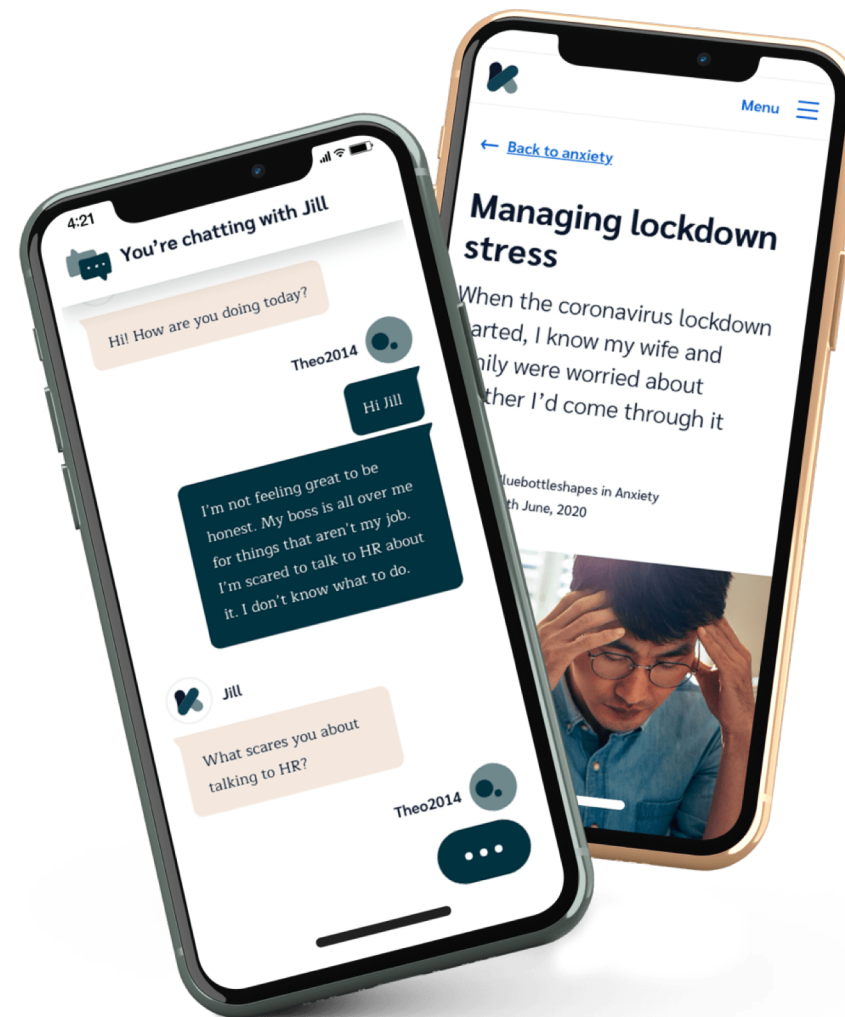
NHS staff, ambulance services, local authority employees.
30,000 employees have access to Kooth Work

Partnership with Doctor Care Anywhere

Combine physical and mental healthcare.
40% of GP appointments are mental health related.
Provides cost effective, anytime access to Kooth's community, content, and counselling.

Business unit leadership for 2021

New Head of corporate business to drive direct and channel growth.



West Midlands Ambulance Service support their 6,500 employees through demanding times with Kooth.

17% of employees accessed Kooth in 2020

57% users benefited from articles and peer-support

34% users received support from a Kooth practitioner

5.6 average goal movement outcome measure for those in counselling (3 = meaningful progress)



NHS

**West Midlands
Ambulance Service**

University NHS Foundation Trust

“Throughout our partnership, Kooth have consistently delivered on their promise of providing our staff with easy access to a reliable and clinically robust digital support service through the platform.”



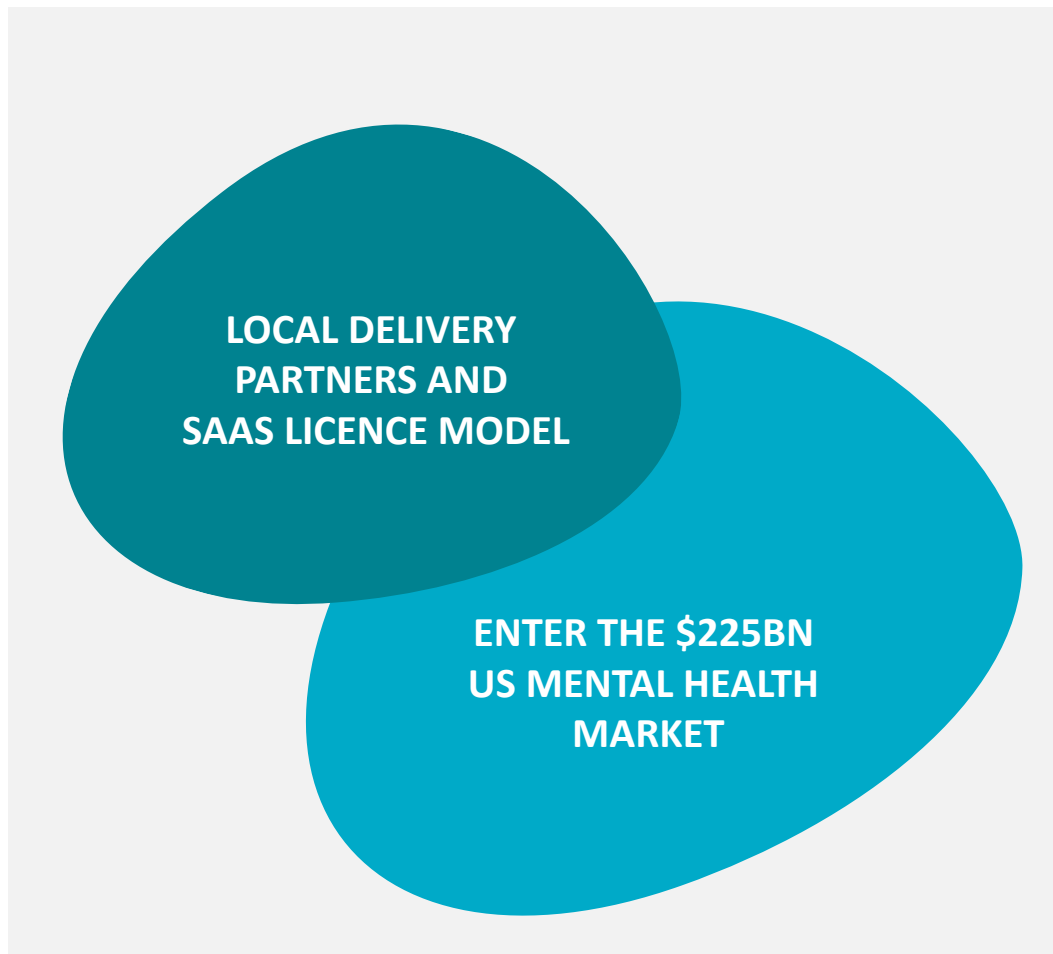
Sarah Greswolde

Mental Wellbeing Practitioner

West Midlands Ambulance Service NHS
Foundation Trust



Strategic progress: International



Progress and focus

Secured first international pilot project.

2021: Prove clinical/tech operating model internationally.

Progress partnerships and prepare for US market in 2022.



Use of Proceeds: Investing for growth

2021 Platform investment highlights

For users: Guided self-help programs.

For customers: Self-service insights and reporting to explore trends.

For healthcare systems: Outcome measures for single session therapy.

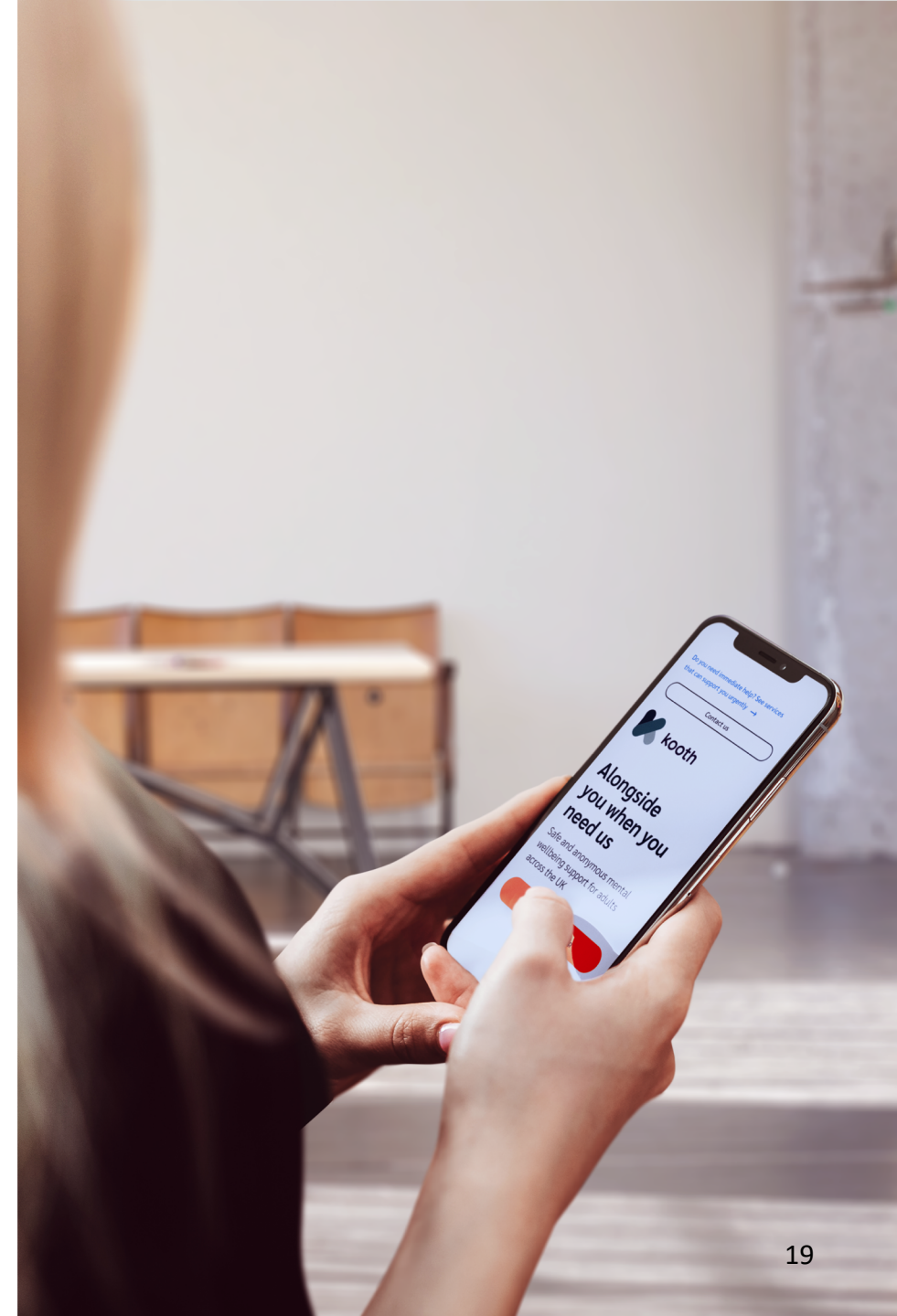
Investing in our people

Service delivery: Growth in practitioners, clinical, and safeguarding.

Sales team: devolved nations, Kooth Work, Adult.

Marketing & Engagement: Digital and in-person promotion.

Infrastructure: Growth in HR, learning and development.





Summary and outlook

- Strong ARR, Revenue and EBITDA growth **ahead of Market expectations**
- **Successful IPO** eliminating debt and generating £7.8m to invest in growth.
- We are getting **good traction/interest in the Corporate market** as organisations focus on employee wellbeing.
- **COVID has been a catalyst for change** with the Government announcing in March a further £500m of additional funding for mental health in 21/22.
- **Our balance sheet is expected to provide sufficient capital** to fund current planned product and software development, international expansion and working capital as the business continues to grow.
- **The new financial year has started well** with a strong new business performance giving an ARR at 31 March 2021 of £15.9m and we have added over 50 new practitioners in the first quarter.



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